



Lake Carriers' Association

The Greatest Ships on the Great Lakes

JAMES H. I. WEAKLEY, PRESIDENT

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October 20, 2008

Via E-Mail: larry.j.prather@usace.mil

HQUSACE

Attn: P&G Revision, CECW-ZA

441 G Street, NW

Washington, DC 20314-1000

Dear Mr. Prather:

**DEPARTMENT OF THE ARMY; CORPS OF ENGINEERS
ECONOMIC AND ENVIRONMENTAL PRINCIPLES AND GUIDELINES FOR WATER
AND RELATED LAND RESOURCES AND IMPLEMENTATION STUDIES;
AVAILABILITY OF PROPOSED PRINCIPLES AND REQUEST FOR COMMENTS
FEDERAL REGISTER, VOL. 73, NO. 178, SEPTEMBER 12, 2008, PAGES 52960-52964**

Lake Carriers' Association represents 16 American companies that operate 63 U.S.-Flag vessels on the Great Lakes. These vessels carry the raw materials that drive our country's economy: iron ore for the steel industry, limestone for the construction industry, coal for power generation, These vessels can transport more than 115 million tons of cargo in a given year when high water levels offset the lack of dredging at Great Lake ports and waterways.

We wish to address Section 9 of the referenced subject, which contains a proposal to use a higher economic standard to justify recommending projects. Specifically, Section 9.2, Project Types, Commercial Navigation and Hydropower, would raise the Benefit Cost Ratio (BCR) from 1.0 to 1.5. As taxpayers, both corporate and individual, we certainly understand and endorse the government using tax dollars as wisely as possible. However, in the case of commercial navigation, the problem is not the BCR currently employed. The problem is a general lack of commitment to rebuilding and maintaining the nation's waterways. Take for example, the locks at Sault Ste. Marie, Michigan, that connect Lake Superior to the lower Great Lakes and St. Lawrence Seaway. The largest of these locks, the Poe, recently suffered mechanical problems, and at least for a short time, it appeared Great Lakes shipping would come to a standstill. Fortunately, the dedicated Corps personnel at "the Soo" were able to minimize the delays and keep traffic moving.

Nonetheless, U.S.-Flag vessel operators literally held their breath for a while. Poe-class vessels represent approximately 70 percent of U.S.-Flag carrying capacity on the Lakes. Had the Poe Lock gone down for a lengthy period, our nation's already struggling economy would have slowed even more.

Continued . . . /

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The Association Representing Operators of U.S.-Flag Vessels on the Great Lakes

AMERICAN STEAMSHIP COMPANY • ANDRIE, INC. • ARMSTRONG STEAMSHIP COMPANY • BELL STEAMSHIP COMPANY
CENTRAL MARINE LOGISTICS, INC. • GRAND RIVER NAVIGATION COMPANY, INC. • GREAT LAKES FLEET/KEY LAKES, INC. • INLAND LAKES MANAGEMENT, INC.
THE INTERLAKE STEAMSHIP COMPANY • KK INTEGRATED LOGISTICS • LAKES SHIPPING COMPANY • LAKE MICHIGAN CARFERRY SERVICE
PERE MARQUETTE SHIPPING • SOO MARINE SUPPLY, INC. • UPPER LAKES TOWING COMPANY, INC. • VANENKEVORT TUG & BARGE INC.

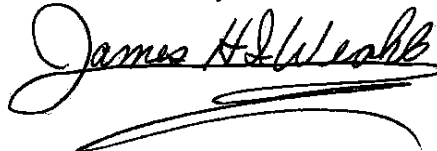
The reason we mention this is that our reliance on one Poe-sized lock need not be the case. Congress approved twinning the Poe Lock in the Water Resources Development Act of 1986, yet it was only in 2007 that the project was finally authorized at full Federal expense. The county is not investing in its waterways. To raise the BCR will only make it even more difficult to proceed with the much needed rebuilding of our nations' ports and waterways.

We might understand the rationale for raising the BCR if the nation was having trouble funding waterways improvements, but in fact, Washington is awash (no pun intended) with funds for our ports and waterways. The Harbor Maintenance Trust Fund (HMTF) has a surplus of \$4.7 billion. It typically takes in more than \$1 billion a year, yet spends only about \$700 million a year. Waterborne commerce is being taxed, but not seeing the benefits of those tax dollars. Lake Carriers' Association is a key player in a move to build a wall around the HMTF and ensure that it spends as much as it takes in so that the surplus is no longer employed to paper balance the budget.

Transportation is the grease that keeps the economy moving. Domestic waterborne commerce routinely tops 1 billion tons a year. Ships and tug/barge units are the most environmentally-friendly mode of transportation. They use less fuel and produce fewer emissions than the land-based modes of transportation. The Federal Government should be doing everything it can to encourage the use of waterborne commerce to ease the congestion on our nation's highways and railbeds. Raising the BCR for commercial navigation projects would only drive more cargo onto our overburdened land-based modes of transportation.

Thank you for the opportunity to comment.

Sincerely,

A handwritten signature in black ink, reading "James H. I. Weakley". The signature is fluid and cursive, with a long horizontal flourish extending from the end of the name.

James H. I. Weakley
President